BRITISH COLUMBIA

BC STATS

ServiceBC
Ministry of Labour and Citizens' Services

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Current Statistics ◆ August 2006

- **After dropping to a new low of 4.3% (*seasonally adjusted*) in June, BC's unemployment rate jumped 0.4 percentage points in July, rising to 4.7%.** The increase in the jobless rate was the result of strong labour force growth (+0.6%) that significantly outpaced employment gains (+0.2%) in July.

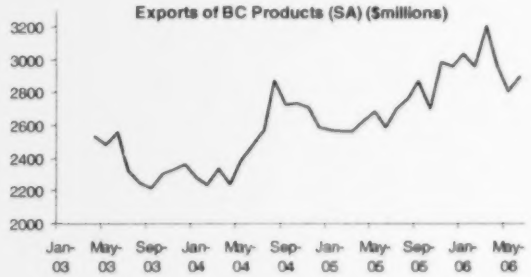
  British Columbia's unemployment rate remained well below the national average (6.4%) in July. With jobless rates of 4.7%, residents of BC, Manitoba and Saskatchewan were less likely to be unemployed than Canadians in every other province except Alberta (3.6%). Unemployment rates increased in most parts of the country, rising 0.3 percentage points at the national level. Canada-wide, the labour force grew 0.4%, while the number of people with jobs was unchanged from June.

  Among BC's regions, jobless rates ranged from 3.8% (*3-month moving average, unadjusted*) in Northeast to 6.8% in Cariboo. Relative to the same month last year, all regions except Northeast and North Coast/Nechako recorded both labour force and employment growth. Kamloops (5.8%), Kelowna (5.6%) and Prince George (5.3%) were the only major urban centres where the unemployment rate was higher than five percent in July.

  Victoria's unemployment rate was 3.3% (*seasonally adjusted*), considerably lower than the rate in Vancouver (4.0%) and Abbotsford (4.1%). *Data Source: Statistics Canada & BC Stats*

- **Sales by wholesalers in the province continued to seesaw in June, dropping off 0.7% (*seasonally adjusted*) after growing 0.8% in the previous month.** Canadian sales were off 0.6%, with only Quebec (+1.5%) and Alberta (+2.4%) posting increases. *Data Source: Statistics Canada*

- **Exports of BC products expanded 7.7% (*seasonally adjusted*) in June, building on a 1.6% increase in the previous month.** The export growth reflected a big jump (+26.2%) in the value of industrial and consumer goods shipped from the province, much of it destined for overseas markets. At the same time, the value of energy (+3.2%) and forest (+2.9%) product exports increased in June, marking the first significant advance since December. Exports of machinery, equipment and automotive products (+6.1%) were also up but the value of agriculture and fish exports fell 4.4%.



US-bound exports were off 1.5%, as shipments of energy (-1.4%) and forest (-6.9%) products south of the border declined. Together, these account for about 60% of the total value of exports to the US. Exporters of agriculture and fish products also saw the value of their US shipments drop off (-1.3%) in June, but exports of industrial and consumer goods (+6.4%) and machinery, equipment and automotive products (+4.3%) were up from May.

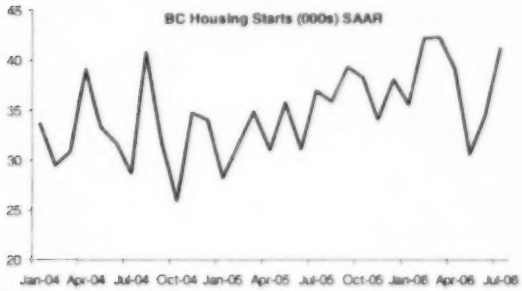
Export growth in June was largely due to gains in overseas markets, with shipments to these destinations rising 23.0%. Exports of most products were up significantly from May levels, increasing at rates ranging from 9.2% for energy products to 44.8% for industrial and consumer goods. However,

overseas exports of agriculture and fish products fell 10.4%.

Data Source: Statistics Canada & BCStats

- **Housing starts in the province continued to rise in July, jumping 19.4% (*seasonally adjusted*).** This was the third time since the beginning of the year that starts have increased at double-digit rates.

  Year-to-date, starts were well above (+15.7%) the levels recorded during the first seven months of 2005. Although the increase so far this year is not quite as strong as what was seen during the early years of the housing boom, if building activity continues at this pace, last year's respite from the frenetic pace of building activity in the province could be short-lived. During the first seven months of 2005, starts were just 1.0% higher than in the same period of 2004. *Data Source: CMHC & BC Stats*



- **The value of building permits issued by BC municipalities dropped 4.9% (*seasonally adjusted*) in June after rebounding (+17.2%) in the previous month.** Permits for residential projects were up 8.7%, but the value of permits issued for other types of buildings plunged 26.0%. Non-residential permits have been seesawing since March, and the latest decline followed a whopping 62.6% increase in May. Permits issued for industrial projects more than doubled (+104.5%) in June, but planned spending on commercial (-21.6%) and institutional (-53.2%) projects was down from May. *Data Source: Statistics Canada*

- **British Columbia's inflation rate was 2.0% in July, less than the 2.2% increase in the all-items Consumer Price Index (CPI) posted in the previous month.** Consumers, who had enjoyed a brief respite from soaring energy costs early in the year, faced a double-digit increase (+11.1%) in the cost of oil, gas and other energy products for the third month in a row. Excluding energy, prices rose a relatively modest 1.2%.

  Despite the reduction in the goods and services tax (GST) that took effect July 1st, the national inflation rate edged down just 0.1 percentage point to 2.4% in July as energy costs (+10.6%) continued to fuel inflation. Among the provinces, inflation rates ranged from 1.9% in Ontario to 4.3% in Alberta. Soaring shelter (+9.8%) costs, together with rising prices for energy (+7.2%) and other goods and services all contributed to Alberta's very high inflation rate.

  Data Source: Statistics Canada

- **Retail sales in the province increased 2.4% (*seasonally adjusted*) during the second quarter, building on a solid first-quarter gain of 2.1%.** BC's hot housing market continued to enhance sales, with retailers of building and outdoor home supplies (+7.0%) and furniture, household furnishings and electronics (+3.4%) posting particularly strong gains. Cash registers at clothing and accessories stores rang up 4.4% more sales than in the first quarter. In the automotive sector, sales advanced 3.5%. Although this was largely due to higher receipts at gas stations (+7.8%), where prices have been climbing, new car dealers saw sales rise (+1.2%) for the first time since last fall. However, sales by general merchandisers edged up just 0.9%, while pharmacies and personal care stores posted a 1.3% decline.

  Data Source: Statistics Canada & BC Stats

MONTHLY STATISTICS

	UNITS	REFERENCE PERIOD	CURRENT			MONTHLY AVERAGE YEAR-TO-DATE	
			LATEST MONTH	% CHANGE FROM LAST MONTH	% CHANGE FROM YEAR AGO	AMOUNT	% CHANGE FROM YEAR AGO
PRICES							
Consumer Price Index-BC	1992=100	Jul '06	128.2	0.1	2.0	127.0	1.9
Consumer Price Index-Vancouver	1992=100	Jul '06	128.8	0.2	2.0	127.5	1.8
Consumer Price Index-Victoria	1992=100	Jul '06	128.2	0.2	1.8	127.1	1.9
Consumer Price Index-Canada	1992=100	Jul '06	130.5	0.1	2.4	129.7	2.5
Consumer Price Index-USA	1982-84=100	Jul '06	203.5	0.3	4.1	201.0	3.9
Industry Price Index-Canada	1997=100	Jul '06	115.6	1.7	4.3	113.3	2.2
LABOUR							
Unemployment Rate (SA)*-BC	Percent	Jul '06	4.7	(4.3)	(6.1)	4.6	(6.3)
Unemployment Rate (SA)-Canada	Percent	Jul '06	6.4	(6.1)	(6.8)	6.3	(6.9)
Unemployment Rate (SA)-USA	Percent	Jul '06	4.8	(4.6)	(5.0)	4.7	(5.1)
Unemployed (SA)-BC	Thousand	Jul '06	108.3	11.3	-21.5	106.5	-24.8
Employed (SA)-BC	Thousand	Jul '06	2,195.6	0.2	3.1	2,186.5	3.3
Labour Force (SA)-BC	Thousand	Jul '06	2,303.9	0.6	1.6	2,293.0	1.6
Participation Rate (SA)-BC	Percent	Jul '06	65.6	(65.2)	(65.7)	65.5	(65.7)
Regular EI Benefits Paid	$Million	Jun '06	48.6	-15.3	-13.2	66.9	-15.2
Regular EI Beneficiaries	Persons	Jun '06	37,130	-10.2	-18.2	49,278	-17.5
Average Weekly Wage Rate-BC	Dollars	Jul '06	721.25	-0.2	3.2	720.27	2.7
Wages and Salaries-BC (SA)	$Million	Jun '06	6,608.0	-1.1	7.1	6,535.1	7.9
Fixed-Weighted Earnings Index-BC	1996=100	Jun '06	118.6	1.0	1.3	117.8	2.1
PRODUCTION-B.C.							
Lumber-Cubic Metres	Thousand	Jun '06	3,359.7	0.1	-4.3	3,576.8	2.6
Market Pulp Shipments-Tonnes	Thousand	Jun '06	428	12.6	1.2	405	3.1
Newsprint Shipments-Tonnes	Thousand	Jun '06	96	12.9	9.1	90	0.7
Other Paper Shipments-Tonnes	Thousand	Jun '06	168	-4.0	12.8	163	7.0
Oil-Cubic Metres	Thousand	Apr '06	132.9	-2.9	-12.6	134.3	-12.2
Natural Gas-Cubic Metres	Million	Jan '06	2,693.0	-1.6	1.8	2,693.0	1.8
Electric Power Generated	GW.h	May '06	4,589.0	-0.6	1.8	5,038.6	-3.9
Manufacturing Shipments (SA)	$Million	Jun '06	3,850.8	1.1	6.6	3,814.4	6.2
GENERAL							
Housing Starts-All Areas BC(SAAR)**	Thousand	Jul '06	41.2	19.4	11.7	37.9	15.7
Housing Starts-USA (SAAR)**	Thousand	Jul '06	1,795.0	-2.5	-13.3	1,970.0	-4.7
Building Permits-BC (SA)	$Million	Jun '06	922.5	-4.9	10.9	913.5	13.0
Residential-BC (SA)	$Million	Jun '06	641.1	8.7	23.5	605.6	14.0
Non-Residential-BC (SA)	$Million	Jun '06	281.4	-26.0	-9.9	307.8	11.1
Retail Sales (NAICS) (SA)-BC	$Million	Jun '06	4,418.7	-1.4	7.0	4,387.7	7.2
Wholesale Trade (NAICS) (SA)-BC	$Million	Jun '06	4,149.5	-0.7	5.1	4,191.7	8.9
Tourism Room Revenues (SA)-BC	$Thousand	Apr '06	144,612	0.4	7.0	143,213	5.4
Business Bankruptcies-BC	Number	Jun '06	48	-17.2	-21.3	58	-12.6
Consumer Bankruptcies-BC	Number	Jun '06	646	2.2	-8.6	638	-12.8
Incorporations-BC	Number	Jul '06	2,364	-12.9	6.5	2,615	10.8
Exports Originating in BC (SA)	$Million	Jun '06	2,923.0	7.7	1.9	2,830.7	4.7

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*SA indicates seasonal adjustment.

**SAAR indicates seasonally adjusted at annual rates.

Brackets () indicate that rates are shown instead of percentage changes.

ANNUAL STATISTICS

	UNITS	YEAR 2005	YEAR 2004	YEAR 2003	PERCENT CHANGE 2004-2005	PERCENT CHANGE 2003-2004
PRICES						
Consumer Price Index-BC	1992=100	125.3	122.8	120.4	2.0	2.0
Consumer Price Index-Vancouver	1992=100	125.7	123.4	121.0	1.9	2.0
Consumer Price Index-Victoria	1992=100	125.5	122.8	120.0	2.2	2.3
Consumer Price Index-Canada	1992=100	127.3	124.6	122.3	2.2	1.9
Consumer Price Index-USA*	1982-84=100	195.3	188.9	184.0	3.4	2.7
Industry Price Index-Canada*	1997=100	111.2	109.5	106.2	1.6	3.1
LABOUR						
Unemployment Rate-BC	Percent	5.9	7.2	8.0		
Unemployment Rate-Canada	Percent	6.8	7.2	7.6		
Unemployment Rate-USA*	Percent	5.1	5.5	6.0		
Unemployed-BC	Thousand	132.9	159.2	176.0	-16.5	-9.5
Employed-BC	Thousand	2,130.5	2,062.7	2,014.7	3.3	2.4
Labour Force-BC	Thousand	2,263.4	2,221.9	2,190.7	1.9	1.4
Participation Rate-BC	Percent	65.6	65.5	65.6		
Total EI Benefits Paid-BC*	$Million	1,650.3	1,764.0	1,831.3	-6.4	-3.7
Regular EI Benefits Paid-BC*	$Million	837.4	960.4	1,059.5	-12.8	-9.4
Average Weekly Wage Rate-BC	Dollars	704.49	686.74	683.68	2.6	0.4
Wages and Salaries-BC*	$Million	73,916.0	69,365.6	65,310.1	6.6	6.2
Fixed-Weighted Earnings Index-BC*	1996=100	115.9	112.9	108.5	2.7	4.1
PRODUCTION-B.C.						
Lumber-Cubic Metres*	Thousand	41,012.9	39,879.3	36,030.9	2.8	10.7
Market Pulp Shipments-Tonnes*	Thousand	4,932	4,724	4,762	4.4	-0
Newsprint Shipments-Tonnes*	Thousand	1,076	1,135	1,186	-5.2	-4.3
Other Paper Shipments-Tonnes*	Thousand	1,877	1,841	1,733	2.0	6.2
Coal-Tonnes*	Thousand	25,571.0	27,082.0	23,061.0	-5.6	17.4
Oil-Cubic Metres*	Thousand	1,750.8	2,019.0	2,168.2	-13.3	-6.9
Natural Gas-Cubic Metres*	Million	32,037.0	31,201.3	29,483.4	2.7	5.8
Electric Power Generated*	GW.h	67,627.3	60,495.6	63,050.9	11.8	-4.1
Solid Mineral Shipments	$Million	4,862.9	3,674.5	2,926.5	32.3	25.6
Farm Cash Receipts**	$Million	2,410.9	2,415.0	2,285.2	-0.2	5.7
Manufacturing Shipments*	$Million	43,009.7	42,343.6	37,243.1	1.6	13.7
GENERAL						
Housing Starts-All Areas BC**	Thousand	34.7	32.9	26.2	5.3	25.8
Housing Starts-USA	Thousand	2,064.7	1,955.8	1,847.7	5.6	5.9
Building Permits-BC*	$Million	10,191.1	7,938.7	6,394.2	28.4	24.2
Residential-BC*	$Million	6,979.0	5,868.9	4,514.2	18.9	30.0
Non-Residential-BC*	$Million	3,212.1	2,069.8	1,880.1	55.2	10.1
Retail Sales (NAICS)-BC*	$Million	49,914.5	47,216.6	44,421.0	5.7	6.3
Wholesale Trade (NAICS)-BC*	$Million	47,277.0	43,521.2	39,658.9	8.6	9.7
Tourism Room Revenues-BC*	$Thousand	1,690.1	1,592.2	1,486.7	6.2	7.1
Business Bankruptcies-BC	Number	786	921	1,002	-14.7	-8.1
Consumer Bankruptcies-BC	Number	8,173	8,378	9,385	-2.4	-10.7
Incorporations-BC*	Number	28,593	25,428	23,243	12.4	9.4
Exports Originating in BC*	$Million	34,064.0	30,977.6	28,189.3	10.0	9.9
Capital Expenditures-BC	$Million	32,256.7	29,664.7	25,434.1	8.7	16.6
Population-BC (as of July 1)	Thousand	4,254,522	4,201,867	4,154,591	1.3	1

August 31, 2006

* derived from monthly figures

**derived from quarterly figures

ECONOMIC PERFORMANCE

GROSS DOMESTIC PRODUCT ($ MILLIONS)

	YEAR				PERCENT CHANGE		
	2005	2004	2003	2002	04-05	03-04	02-03
BRITISH COLUMBIA							
Gross Domestic Product at Market Prices	168,011	157,241	145,948	138,252	6.8	7.7	5.6
Real Gross Domestic Product (chained 1997 $)	144,028	139,205	133,888	130,324	3.5	4.0	2.7
CANADA							
Gross Domestic Product at Market Prices	1,368,726	1,290,185	1,216,191	1,154,204	6.1	6.1	5.4
Real GDP at Market Prices (chained 1997 $)	1,157,446	1,124,428	1,092,388	1,070,789	2.9	2.9	2.0
UNITED STATES (Billions $US) **							
Gross Domestic Product at Market Prices	11,734.3	10,971.2	10,469.6	10,128.0	7.0	4.8	3.4
Real GDP at Market Prices (chained 2000 $US)	10,755.7	10,320.6	10,048.8	9,890.7	4.2	2.7	1.6

*** US Department of Commerce (actual)*

INTEREST AND EXCHANGE RATES

(Source: Bank of Canada Weekly Financial Statistics)

	Aug 30/06	Aug 23/06	July 26/06	Aug 31/05
	PERCENT PER ANNUM			
CANADA				
Prime Business Rate	6.00	6.00	6.00	4.25
Bank Rate	4.50	4.50	4.50	2.75
Long-Term Government Bond Rate (over 10 yrs)		4.27	4.46	4.11
Conventional Mortgages-1 Year		6.40	6.60	5.00
-5 Years		6.85	6.95	5.80
UNITED STATES				
Prime Rate	8.25	8.25	8.25	6.50
EXCHANGE RATES (average noon)	CANADIAN $			
US Dollar	1.1100	1.1101	1.1378	1.1889
Japanese Yen	0.0095	0.0095	0.0097	0.0107
British Pound	2.1136	2.1003	2.1019	2.1417
Euro	1.4233	1.4203	1.4368	1.4663

FORECASTS

	2006			2007		
	REAL GDP % CHG	UNEMP RATE %	CPI % CHG	REAL GDP % CHG	UNEMP RATE %	CPI % CHG
BRITISH COLUMBIA						
B.C. Government (Feb.21/06 Budget & Fiscal Plan)	3.3	5.7	2.2	3.1	5.6	2.1
Credit Union Central BC (July 2006)	4.2	4.4	1.6	4.2	3.6	1.8
Conference Board of Canada (July 2006)	3.6	4.9	1.9	3.1	5.2	1.9
Scotia Economics (July 27, 2006)	4.0	4.6	na	3.6	4.2	na
TD Bank (February 17, 2006)	3.5	6.0	1.4	3.2	5.5	1.7
CIBC WM Economics (February 9, 2006)	4.1	5.2	1.7	3.4	4.8	2.0
Global Insight (April 2006)	3.7	5.3	1.7	3.1	5.2	1.9
CANADA						
TD Bank (June 14, 2006)	3.0	6.4	1.8	2.7	6.6	1.2
CIBC WM Economics (March 6, 2006)	2.9	6.6	1.9	2.4	6.8	2.3
Global Insight (April 2006)	3.2	6.4	1.7	2.6	6.4	1.5
UNITED STATES						
TD Bank (June 14, 2006)	3.2	4.9	3.6	2.6	5.5	2.1
CIBC WM Economics (March 6, 2006)	3.3	5.0	2.8	2.5	5.2	2.9
Global Insight (April 2006)	3.3	4.7	2.6	2.6	4.9	1.6